

Message Text

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ACTION OES-07

INFO OCT-01 EUR-12 ISO-00 PM-04 ACDA-07 EB-07 CIAE-00
INR-07 IO-13 L-03 NSAE-00 NSC-05 NRC-05 DODE-00
ERDA-05 SS-15 FEA-01 /092 W
-----210821Z 120725 /12

R 210705Z MAY 77
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 0653

C O N F I D E N T I A L SECTION 1 OF 2 STOCKHOLM 2178

E.O. 11652: GDS
TAGS: PINT, TECH, SW
SUBJECT: CONSULTATIONS WITH GOS ON US NUCLEAR ENERGY PROPOSALS

REF: STATE 108088

1. AS DEPARTMENT IS BY NOW AWARE, SWEDISH REACTION TO PRESIDENT CARTER'S PROPOSALS IN THE NUCLEAR ENERGY FIELD-- PARTICULARLY THOSE REGARDING US-ORIGIN ENRICHED URANIUM SUPPLIES FOR FOREIGN COUNTRY RECIPIENTS, AND US UNWILLINGNESS TO APPROVE RETRANSFERS OF SUCH FUEL FOR REPROCESSING ABROAD-- HAS BEEN MIXED AT BEST. IN THE LIGHT OF CRITICISMS PUBLISHED IN THE SWEDISH PRESS BY VARIOUS GOS OFFICIALS (STOCKHOLM 1894), CHARGE AND POLITICAL AND ECONOMIC COUNSELORS MET ON MAY 18 WITH SEVERAL MFA OFFICIALS DIRECTLY INVOLVED: SECRETARY GENERAL-DESIGNATE LEIF LEIFLAND, JOHAN LIND AND LARS-AKE NILSSON. PURPOSE OF OUR MEETING WAS TO PROVIDE HELPFUL INFORMATION CONTAINED REFTEL, ELICIT COMMENT AND QUESTIONS FROM THE SWEDISH SIDE, AND TO REASSURE GOS THAT WE UNDERSTAND POTENTIAL SWEDISH PROBLEMS AND LOOK FORWARD TO CLOSE CONTINUING CONSULTATIONS IN THIS AREA.

2. LEIFLAND INDICATED AT OUTSET THAT AMBASSADOR WACHTMEISTER HAD HAD SUBSTANTIVE DISCUSSIONS ON MATTERS
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OF GREATEST CONCERN TO GOS IN NUCLEAR FIELD AT THE DEPARTMENT WITH DR. NYE ON MAY 17. LEIFLAND EXPRESSED GREATEST APPRECIATION FOR THIS FURTHER OPPORTUNITY TO EXPLAIN SWEDISH VIEWS. HE THEREUPON MADE TWO PRINCIPAL POINTS:

(A) GOS HAS CONSISTENTLY BELONGED TO THAT GROUP OF GOVERNMENTS WHICH HAS EXPRESSED CONCERN OVER DANGERS

OF NUCLEAR PROLIFERATION AND IS IN THE FOREFRONT OF THOSE DEMANDING MEANINGFUL RESTRICTIONS OVER THE TRANSFER OF TECHNOLOGY AND MATERIALS TO COUNTRIES DESIROUS OF DEVELOPING THEIR OWN NUCLEAR CAPABILITIES, PARTICULARLY NON-NPT COUNTRIES. HE SAID SWEDEN'S RECORD INTERNATIONALLY AGAINST PROLIFERATION WAS VERY SIMILAR TO THOSE OF SUCCESSIVE AMERICAN ADMINISTRATIONS.

(B) THE NUCLEAR POWER COMPLEX DECIDED UPON IN SWEDEN MANY YEARS AGO HAS DEVELOPED SATISFACTORILY. ALL ENRICHED URANIUM BEING UTILIZED IN SWEDISH NUCLEAR POWER PLANTS IS PROVIDED BY THE US UNDER THE EXISTING BILATERAL COOPERATION AGREEMENT. WHILE NOT SPELLED OUT YET IN LAW, A CONSCIOUS DECISION HAS BEEN MADE NOT TO CONSTRUCT FUEL REPROCESSING FACILITIES IN SWEDEN. SWEDISH POWER UTILITIES HAVE VALID CONTRACTS FOR REPROCESSING WITH FIRMS IN BRITAIN AND FRANCE. DESPITE PRESIDENT CARTER'S RECENTLY ANNOUNCED RESTRICTIONS AGAINST A RETRANSFER OF US-ORIGIN FUEL FOR REPROCESSING, SWEDISH INDUSTRY CONTINUES TO FEEL CONFIDENT THAT REPROCESSING ABROAD IS THE MOST EFFICIENT AND SAFE MANNER WITH WHICH TO HANDLE SPENT FUEL. THE SWEDISH RIKSDAG IN APRIL 1977 APPROVED A "CONDITIONS BILL" UNDER WHICH THE POWER COMPANIES ARE REQUIRED TO PROVE TO THE GOVERNMENT'S SATISFACTION THAT: (1) THEY HAVE CONCLUDED ACCEPTABLE CONTRACTS FOR REPROCESSING FUEL; (2) THEY HAVE ALSO DEMONSTRATED ABSOLUTELY SAFE METHODS OF STORING REPROCESSED HIGHLY RADIOACTIVE WASTE; OR (3) ALTERNATIVELY PROVE HOW AND WHERE THE ABSOLUTELY SAFE FINAL DISPOSITION OF SPENT, BUT NOT REPROCESSED, NUCLEAR FUEL CAN BE EFFECTED. CONFIDENTIAL

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LEIFLAND SAID THE NEW US PROPOSALS RESTRICTING RETRANSFER APPROVAL TO AN EMERGENCY SITUATION HAVE NOW CREATED A MOST SERIOUS POLITICAL PROBLEM FOR THE SWEDISH GOVERNMENT. SWEDEN MAY NOT QUALIFY FOR AN EXCEPTION BY A "CLEAR SHOWING OF NEED" SINCE IT DOES NOT HAVE YET A "SEVERE STORAGE PROBLEM AFFECTING POWER GENERATION." BUT THE GOS WILL HAVE A SEVERE POLITICAL PROBLEM AS EARLY AS THIS COMING AUGUST WHEN THE RINGHALS III PLANT IS SCHEDULED FOR LODING. THE POWER UTILITY WHICH GENERATES RINGHALS III WILL BE UNABLE TO DEMONSTRATE TO THE GOVERNMENT AN ACCEPTABLE CONTRACT FOR THE REPROCESSING OF SPENT FUEL, NOT BECAUSE ARRANGEMENTS HAVE NOT BEEN MADE WITH REPROCESSING PLANTS ABROAD, BUT BECAUSE OF THE REQUIRED US APPROVAL FOR THE TRANSFER OF US-ORIGIN FUEL--WHICH NEITHER THE COMPANY NOR THE GOS IS LIKELY TO RECEIVE, IN ACCORDANCE WITH THE NEW US GUIDELINES.

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INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05
DODE-00 ERDA-05 SS-15 /092 W
-----210820Z 120856 /12

R 210705Z MAY 77
FM AMEMBASSY STOCKHOLM
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3. LEIFLAND AND HIS MFA COLLEAGUES REPEATED SEVERAL TIMES THAT SWEDEN HAS NO INTENTION OF UTILIZING ANY PLUTONIUM DERIVED FROM REPROCESSING. IN FACT, LIND SAID, "WE WOULD NOT WANT ANYTHING TO DO WITH PLUTONIUM." THEY ADDED THAT IN THE GOS VIEW, SWEDEN, WITH ITS STRONG INTERNATIONAL RECORD AGAINST PROLIFERATION AND ITS DESIRE ONLY TO DEVELOP FACILITIES AND RESOURCES TO MEET PROVEN ENERGY NEEDS IN THE FUTURE, WAS BEING PENALIZED RATHER UNFAIRLY. LEIFLAND SAID THE GOS VERY MUCH SHARES PRESIDENT CARTER'S GOALS BUT WOULD HAVE MUCH PREFERRED A US WILLINGNESS TO TOLERATE THE STATUS QUO WITH REGARD TO REPROCESSING ABROAD UNTIL THE PROMISED MEASURES FOR HANDLING NEAR-TERM SPENT FUEL PROBLEMS WERE A REALITY. THE FORMULATION OF NEW PROGRAMS OF GREAT COMPLEXITY, SUCH AS AN INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM, THE SWEDES AGREED, IS OFTEN A LONG-TERM, OPEN-ENDED AFFAIR.

4. THE MEETING CONCLUDED WITH OUR ASSURING LEIFLAND THAT SWEDISH CONCERNS WOULD BE CONVEYED TO WASHINGTON. WE TOLD LEIFLAND THAT THE EMBASSY IS ANXIOUS TO PLAY A MAXIMALLY USEFUL ROLE IN THIS AREA, PARTICULARLY BY ENSURING THAT THE GOS IS KEPT INFORMED OF ALL DEVELOPMENTS RELATED TO IMPLEMENTATION OF PRESIDENT CARTER'S ENERGY PROPOSALS. WE ALSO SAID WE WOULD BE TALKING TO MEMBERS OF THE ENERGY COMMISSION AND OTHERS
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SEEKING INFORMATION ON US POLICY.

5. COMMENT: AS SHOULD BE CLEAR FROM ABOVE, THE GOS IS PLAINLY WORRIED ABOUT THE EFFECT OF US POLICIES ON SWEDISH NUCLEAR ENERGY PLANNING. LEIFLAND'S ASSERTION THAT A LIVE POLITICAL ISSUE HAS BEEN CREATED FOR THE GOVERNMENT THROUGH US RESTRICTION ON REPROCESSING SEEMS VALID, AS WE UNDERSTAND IT. UNDER THE CIRCUMSTANCES, THE EMBASSY BELIEVES THE GOS DESERVES TO BE KEPT FULLY AND QUICKLY INFORMED OF ALL CHANGES, AMENDMENTS, REVISIONS, ETC. TO POLICIES ENUNCIATED THUS FAR. SPECIFICALLY, SHOULD WASHINGTON REVIEW OF SWEDEN'S PROBLEMS, BOTH TECHNICAL AND POLITICAL, REVEAL WAYS TO PERMIT A CONTINUATION OF THEIR PLANNED REPROCESSING ABROAD, PERHAPS TEMPORARILY AND ON AN EXTRAORDINARY BASIS, WE HOPE THAT POSSIBILITY CAN BE CONVEYED TO THE GOS EITHER THROUGH WACHTNEISTER OR THIS EMBASSY.

6. LEIFLAND AND LIND WILL BE IN WASHINGTON FOR TALKS ON THIS MATTER IN CONNECTION WITH THE FOREIGN MINISTER'S VISIT COMMENCING JUNE 29. WE WISH TO USE THE INTERIM PERIOD FOR AS COMPLETE A CLARIFICATION AS POSSIBLE, SO THAT LEIFLAND CAN PERHAPS DISCUSS THE TERMS OF AN AGREEMENT TO GET SWEDEN THROUGH THE NEXT MONTHS WITH ASSURANCES THAT US POLICY WILL NOT CREATE UNDUE BURDENS HERE.

7. THE NATURE OF THE POLITICAL PROBLEM HERE WITH RESPECT TO NUCLEAR POWER GENERATION IS PROBABLY UNIQUE. WE DOUBT THAT ANY OTHER COUNTRY WHICH HAS PURCHASED NUCLEAR FUEL FROM THE US HAS AN EXTREMELY STRINGENT "CONDITIONS BILL" LIKE THAT OF SWEDEN, OR A DEADLINE OF AUGUST TO PRESENT ABSOLUTE ASSURANCES ON SAFE STORAGE AND OF REPROCESSING. IT STRIKES US AS FAIR AND LOGICAL TO TREAT THESE CIRCUMSTANCES AS EQUIVALENT TO A "CLEAR SHOWING OF NEED", THUS QUALIFYING SWEDEN TO RECEIVE APPROVAL FOR THE REPROCESSING.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR ENERGY, DIPLOMATIC DISCUSSIONS, FOREIGN POLICY POSITION, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STOCKH02178
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770181-0889
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770530/aaaabaiu.tel
Line Count: 211
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5de1428c-c288-dd11-92da-001cc4696bcc
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 108088
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2419278
Secure: OPEN
Status: NATIVE
Subject: CONSULTATIONS WITH GOS ON US NUCLEAR ENERGY PROPOSALS
TAGS: PINT, TECH, SW, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5de1428c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009